

Message Text

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ORIGIN AF-10

INFO OCT-01 EUR-12 ISO-00 SIG-01 EB-07 TRSE-00 CIAE-00
INR-07 NSAE-00 L-03 OMB-01 AID-05 COME-00 /047 R

DRAFTED BY AF/W:EESVENDSEN:HMN
APPROVED BY AF/W:RGHOUDEK
EB/IFD:BCROWE
US/IMF-CLOHMANN (SUBS)
-----172204Z 048636 /15

P R 172011Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY FREETOWN PRIORITY
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY MONROVIA
AMEMBASSY BONN
AMEMBASSY ABIDJAN

C O N F I D E N T I A L STATE 112912

E.O. 11652:GDS

TAGS: EFIN, SL

SUBJECT:IMF STAND-BY CREDITS AND LOAN

REF: A) FREETOWN 1320 (NOTAL) B) FREETOWN 1550

1. DEPARTMENT HAS CONTACTED IMF WHICH INFORMS US THAT
A REPORT ON SIERRA LEONE IS BEING PREPARED FOR PRESENTATION
TO THE IMF BOARD, PROBABLY IN JUNE. THE REPORT CALLS
FOR A NINE MILLION SDR STAND-BY CREDIT AND A FOUR MILLION
SDR LOAN UNDER AN IMF TRUST FUND ARRANGEMENT.

2. ACCORDING TO SOURCES, IT SEEMS LIKELY THAT THE GOSL
WILL RECEIVE IMF APPROVAL FOR THE LOAN AND CREDIT ARRANGE-
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MENT WHICH WOULD MAKE AVAILABLE TO THEM THIRTEEN MILLION
SDR BY JULY. GOSL HAS TAKEN A WIDE-RANGING SERIES OF
BELT-TIGHTENING MEASURES WHICH COULD YIELD IT THE EQUIVA-
LENT OF TEN PERCENT OF LAST YEAR'S REVENUES. STEVENS
AND HIS OFFICIALS HAVE DEMONSTRATED TO THE IMF SUFFICIENT
WILLINGNESS TO IMPOSE THE REQUISITE MEASURES, AND HAVE
SHOWN AT LEAST INITIALLY THAT THEY ARE WILLING TO KEEP

THE SITUATION UNDER CONTROL.

3. THE NINE MILLION STAND-BY CREDIT IS AN AMOUNT MADE AVAILABLE TO THEM FROM THE FIRST CREDIT TRANCHE. THE

FOUR MILLION SDR LOAN CARRIES THE CONDITIONS THAT DURING ITS LIFE NO NEW LOANS OF 1-5 YEAR MATURITY CAN BE ENTERED INTO EXCEPT TO REFINANCE EXISTING DEBTS, AND LOANS WITH A 5-12 YEAR MATURITY ARE LIMITED TO THE EQUIVALENT OF SIX MILLION SDR. PRESUMING NORMAL MARKET CONDITIONS DEVALUATION DOES NOT APPEAR NECESSARY.

4. THERE IS NO AGREEMENT TO BE SIGNED BETWEEN GOSL AND IMF. RATHER, WE SUSPECT THAT A LETTER OF INTENT USED TO SIGNAL GOSL'S AGREEMENT TO CONDITIONS PREVIOUSLY DISCUSSED IS BEING AUTHORIZED. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE112912
Document Source: CORE
Document Unique ID: 00
Drafter: EESVENDSEN:HMN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770175-0612
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770547/aaaaboud.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 781f6e91-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 FREETOWN 1320, 77 FREETOWN 1550
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2482318
Secure: OPEN
Status: NATIVE
Subject: IMF STAND-BY CREDITS AND LOAN
TAGS: EFIN, SL, IMF
To: FREETOWN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/781f6e91-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009